



## **DEPARTMENT OF THE INTERIOR**

### **Bureau of Land Management**

**[LLHQ310000.L13100000.PP0000.21X]**

#### **Annual Statutorily Required Increase in Filing Fee for Processing Fiscal Year 2022;**

#### **Applications for Permit to Drill**

**AGENCY:** Bureau of Land Management, Interior.

**ACTION:** Notice of fee increase.

**SUMMARY:** The Bureau of Land Management (BLM) hereby updates the filing fee for Applications for Permits to Drill (APD) on Federal oil and gas leases. The updated APD fee amount is \$10,900, reflecting the adjustment for inflation as required by statute.

**DATES:** This updated fee increase takes effect on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**FOR FURTHER INFORMATION CONTACT:** Matthew Warren, National Oil and Gas Program Lead for Division of Fluid Minerals, Bureau of Land Management, Headquarters Office, 301 Dinosaur Drive, Santa Fe, NM 87508; phone 505-216-8832; email [mwarren@blm.gov](mailto:mwarren@blm.gov). Persons who use a telecommunications device for the deaf (TDD) may call the Federal Relay Service (FRS) at 1-800-877-8339 to contact Mr. Warren. The FRS is available 24 hours a day, 7 days a week, to leave a message or question. You will receive a reply during normal business hours.

**SUPPLEMENTARY INFORMATION:** Section 3021(b) of the National Defense Authorization Act of 2015 (Pub. L. 113-291; 30 U.S.C. 191(d)) (the Act) directs the BLM to collect a fee for each new APD submitted to the BLM for fiscal years (FY) 2016 through 2026 and requires the fee amount to be adjusted for inflation. The Act sets the initial fee amount at \$9,500 as of October 1, 2015, with updated annual fee amounts to be indexed for United States dollar inflation from that date as measured by the Consumer

Price Index. 30 U.S.C. 191(d)(2).

The updated APD fee as adjusted for inflation will be in the amount of \$10,900, effective **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

This updated fee amount reflects an adjustment to the current fee of \$10,360 based on the percentage change in the U.S. Bureau of Labor Statistics' seasonally adjusted Consumer Price Index for all goods and all urban consumers (CPI-U) for August of the previous calendar year to August of the current calendar year, on the business day following its release. The seasonally adjusted CPI-U for August 2021 (273.012) is 5.2 percent higher than the seasonally adjusted CPI-U for August 2020 (259.511). Increasing the 2020 fee of \$10,360 by 5.2 percent and rounding the product to the nearest \$10 produces a 2021 fee of \$10,900.

The source for CPI-U data is the BLS, U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>, accessed on September 14, 2021.

The updated filing fee applies to any new APD submitted on BLM Form 3160-3, including those submitted on leases of Indian minerals, whether submitted individually or as part of a Master Development Plan. The APD filing fee is non-refundable and is required up front for processing an APD, regardless of whether the BLM subsequently approves the APD. The filing fee is not required for a Notice of Staking. The increase in the filing fee does not change Onshore Oil and Gas Order Number 1 (Onshore Order No. 1) (72 FR 10308 (2007); 82 FR 2906 (2017)) or its implementation.

Because the APD fee is established by statute, the BLM has no discretion to waive it or accept a reduced amount. If an operator submits a new APD without including the full non-refundable filing fee of \$10,900, the BLM will not log it in, post, process, or consider it received until the operator pays the full fee. As of **[INSERT**

**DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, APDs for which operators submit the previous FY 2021 filing fee of \$10,360, will not be considered paid until the BLM receives the full FY 2022 filing fee of \$10,900.

In the event that the operator does not submit the full filing fee, the BLM will contact the operator and give the operator 10 business days to submit the required amount. The BLM considers an APD filed and starts the processing clock that is described in Section III.E. of Onshore Order No. 1 only after the operator submits the full filing fee. If the operator fails to pay the full filing fee after the 10-day notice, the BLM will return the APD along with any partial filing fee to the operator. The BLM does not consider an operator's failure to submit the APD fee as a deficiency in an APD under Onshore Order No. 1.

As required by the Act, the APD fee generally applies to all new APDs. In some cases, however, an operator's filing of a Form 3160-3 does not trigger the need to pay the APD fee because it is not a new APD. An operator may need to file a Form 3160-3 for administrative purposes where the operator must use a replacement well due to encountering down-hole problems requiring it to skid the rig a few feet on the same well pad. Since the BLM would have previously completed most of the work to approve the APD in those circumstances, including consultation and environmental work, the filing of an amended Form 3160-3 in this situation would not represent a new APD, and an additional filing fee would not be required.

If the operator moves the well location at the request of the BLM to accomplish agency or resource conservation goals or to accommodate a private surface owner request, and the move results in the operator filing an amended APD, an additional filing fee is not required for the moved well. An example would be a request by the BLM to move a well to reduce a cut and fill or loss of habitat. Additionally, if the BLM requests an adjustment in the drilling location at the on-site inspection or if the operator submits a

second Form 3160-3 for the purpose of correcting a clerical error, an additional filing fee is not required. However, if the operator requests the move and the move results in the operator filing a new APD, an additional filing fee is required.

The BLM is not requesting public comment on this fee increase for good cause under 5 U.S.C. 553(b). Since the authorizing statute does not give the BLM discretion to vary the amount of the inflation adjustment for the APD fee to reflect any views or suggestions provided by commenters, providing an opportunity for public comment on this fee increase would serve no purpose.

(Authority: 30 U.S.C. 191(d))

**Sheila Mallory,**

*Acting Chief, Division of Fluid Minerals.*

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